

MAINE STATE LEGISLATURE

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Date: 3/4/10

NATURAL RESOURCES

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
124TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1160, L.D. 1632, Bill, "An Act To Establish Biofuel and Ultra-low Sulfur Requirements for Number 2 Home Heating Oil"

Amend the bill by striking out the title and substituting the following:

'An Act Regarding Biofuel in Number 2 Heating Oil'

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

'Sec. 1. 10 MRSA §1663 is enacted to read:

§1663. State biofuel goals

It is the goal of the State that all number 2 heating oil sold in the State contain at least 2% biofuel by July 1, 2013 and at least 5% biofuel by July 1, 2015. As used in this section, "biofuel" means any commercially produced liquid or gas used to fire a heating device or a stationary power device or otherwise substitute for liquid or gaseous fuels that is derived from renewable biomass, including, but not limited to, agricultural crops and residues, forest products and by-products and separated food waste, as distinct from petroleum or other fossil carbon sources.

Sec. 2. Biofuel study. The Executive Department, Governor's Office of Energy Independence and Security, referred to in this section as "the office," shall oversee a study of the energy, environmental and economic feasibility of setting a requirement for the percentage of biofuel to be used in number 2 heating oil. As used in this section, "biofuel" means any commercially produced liquid or gas used to fire a heating device or a stationary power device or otherwise substitute for liquid or gaseous fuels that is derived from renewable biomass, including, but not limited to, agricultural crops and residues, forest products and by-products and separated food waste, as distinct from petroleum or other fossil carbon sources.

1. The study must include, but is not limited to, the following:

A. The feasibility of linking annual production of biofuel in the State to use goals and requirements;

COMMITTEE AMENDMENT

1 B. Consideration of biofuel supply, price and infrastructure issues for number 2
2 heating oil;

3 C. Consideration of federal regulations and programs, including, but not limited to,
4 the United States Environmental Protection Agency's renewable fuels standard and
5 the United States Department of Agriculture's biomass crop assistance program;

6 D. Consideration of relevant legislative proposals and actions in the United States
7 Congress, including, but not limited to, low-carbon fuel standards;

8 E. Consideration of relevant policies in other states, particularly in other New
9 England states; and

10 F. Conformance of goals with the office's State of Maine Comprehensive Energy
11 Plan.

12 2. The study must supplement the January 2008 report by the office titled "Liquid
13 Biofuels Policy for Maine" and update recommendations regarding the establishment of
14 an alternative fuel incentive program to stimulate the production, distribution and use of
15 biofuels in number 2 heating oil.

16 3. In carrying out the study, the office shall consult with the Department of
17 Environmental Protection, the Public Utilities Commission and the Efficiency Maine
18 Trust Board.

19 4. Performance of the study's examination of supply goals and requirements and
20 price considerations under subsection 1 is dependent on receipt of funding through a 3rd-
21 party grant or donation. Performance of the study's update of policy recommendations to
22 stimulate the production, distribution and use of biofuels, with supply goals and price
23 considerations, must be undertaken by the office regardless of funding source.

24 5. By February 15, 2011, the office shall submit a report of its findings and
25 recommendations, together with any necessary implementing legislation, to the joint
26 standing committee of the Legislature having jurisdiction over natural resources matters.

27 **Sec. 3. Authority to submit legislation.** The joint standing committee of the
28 Legislature having jurisdiction over natural resources matters may submit a bill relating
29 to the subject matter of the report submitted pursuant to section 2 to the First Regular
30 Session of the 125th Legislature.'

31 **SUMMARY**

32 This amendment replaces the bill and changes the title. The amendment establishes
33 state goals for the percentage of biofuel that number 2 heating oil must contain. The
34 amendment also directs the Executive Department, Governor's Office of Energy
35 Independence and Security to oversee a study of and report on the feasibility of setting a
36 requirement for the percentage of biofuel to be used in number 2 heating oil. The joint
37 standing committee of the Legislature having jurisdiction over natural resources matters
38 is authorized to submit a bill related to the subject matter of the report.

FISCAL NOTE REQUIRED
(See attached)



124th MAINE LEGISLATURE

LD 1632

LR 2349(02)

An Act To Establish Biofuel and Ultra-low Sulfur Requirements for Number 2 Home Heating Oil

Fiscal Note for Bill as Amended by Committee Amendment "A"

Committee: Natural Resources

Fiscal Note Required: Yes

Fiscal Note

Potential future biennium cost increase - General Fund
Potential future biennium cost increase - Highway Fund

Fiscal Detail and Notes

The Department of Administrative and Financial Services will require additional General Fund appropriations and Highway Fund allocations beginning in fiscal year 2013-14 to comply with state biofuel goals. The exact amounts can not be determined at this time and will depend on the difference in price per gallon.

Consultation with the Governor's Office of Energy Independence and Security regarding the feasibility of setting a requirement for the percentage of biofuel to be used in #2 heating oil will cause the Department of Environment Protection, the Public Utilities Commission and Efficiency Maine Trust to incur minor costs which can be absorbed within existing budgeted resources.